

Agricultural Bank of China Limited

Tailored U.S. Resolution Plan

Public Section

1. Introduction

This is the public section of the tailored resolution plan of Agricultural Bank of China Limited (the “Bank”) that is being filed pursuant to 12 C.F.R. Part 243, promulgated by the Board of Governors of the Federal Reserve System (“FRB”), and 12 C.F.R. Part 381 of the Federal Deposit Insurance Corporation (“FDIC”) under Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). Parts 243 and 381 are hereinafter referred to as the “Final Rules.”

Any foreign bank or company that is treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 (the “IBA”) and that has \$50 billion or more in total consolidated assets is a “covered company” for purposes of Section 165(d) of the Dodd-Frank Act and the Final Rules. A covered company is required to submit to the FRB and FDIC a plan discussing the rapid and orderly resolution of its U.S. operations in the event of material financial distress or failure.

The Bank is organized under the laws of the People’s Republic of China. Because the Bank maintains a branch in the United States, the Bank is treated as a bank holding company under Section 8(a) of the IBA. The total global consolidated assets of the Bank, including its U.S. operations, exceeded \$50 billion as of December 31, 2012 and 2013. As a result, the Bank is deemed a covered company and is required to file a U.S. Resolution Plan under Section 165(d) of the Dodd-Frank Act and the Final Rules.

The Final Rules permit certain eligible covered companies to file a tailored resolution plan. The Bank has been approved by the FRB and FDIC to file a tailored resolution plan for its 2014 submission.

2. Overview of the Bank

Agricultural Bank of China Limited was originally formed in 1951 as the Agricultural Cooperative Bank. Starting in the late 1970s, the Bank has shifted from a state-owned specialty bank to a state-controlled commercial bank. The Bank was restructured into a joint stock limited company in 2009, and completed its initial public offering on July 7, 2010, raising \$22.1 billion. This was the largest IPO on record at the time. The Bank is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Bank is a major integrated financial service provider in China, and remains committed to serving the needs of agriculture and rural areas and capitalizing on the synergy between the urban and less populated areas. The Bank has expanded into the international market and provides the diversified services of a leading commercial bank. The Bank utilizes its diverse portfolio, large distribution network and advanced IT platform to provide a full range of corporate, treasury and retail banking products. In addition to banking, the Bank's services include investment banking, fund management, financial leasing and life insurance. At the end of 2013, the Bank had total assets of RMB 14,562,102 million, deposits of RMB 11,811,411 million and loans of RMB 7,224,713 million. The capital adequacy ratio and non-performing loan ratio were 11.86% and 1.22% respectively. The Bank achieved a net profit of RMB 166,211 million in 2013 (\$27.3 billion using a conversion rate of 6.0969).

The Bank had 23,547 domestic branches, including the Head Office. In 2013, the Bank was ranked No. 64 in Fortune's Global 500, and ranked No. 10 in the Banker's "Top 1000 World Banks" list in terms of Tier 1 Capital for the year 2012. In 2013, the Bank's issuer

credit ratings were assigned A/A-1 by Standard & Poor's, the Bank's deposit ratings were assigned A1/P1 ratings by Moody's Investors Service, and the long-term / short-term foreign currency issuer default ratings of A/F1 were assigned by Fitch Ratings. The Bank's outlook ratings assigned by the above-listed credit rating agencies were "stable".

The Bank's New York Branch (the "New York Branch") is a wholesale banking branch with a product range that includes: corporate lending and deposits; trade finance; treasury activities including investments, foreign exchange, issuance of negotiable securities and certificates of deposit, money market activities and basic derivatives activities; correspondent banking, and other linked customer products.

3. Material Entities

"Material Entity" is defined in the Final Rules as "a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line." The Bank has determined that it does not have any U.S. Material Entities for purposes of the Resolution Plan. This will be subject to ongoing review and evaluation as the U.S. operation expands.

4. Core Business Lines

"Core Business Lines" are defined in the Final Rules as "those business lines in the covered company, including associated operations, services, functions and support, that in the view of the covered company, upon failure would result in a material loss of revenue, profit or franchise value to the covered company." Based on the above-listed criteria and further analysis, the Bank has determined that it had no Core Business Lines, banking or nonbanking, that were conducted in the U.S. as of December 31, 2013.

5. Financial Information Regarding Assets, Liabilities, Capital and Major Funding sources

Consolidated Balance Sheet of ABC Group as at December 31, 2013 in millions of

RMB:

Assets	2013	2012
Cash and Balances with Central Banks	2,603,802	2,613,111
Deposits with Banks and other Financial Inst.	397,678	262,233
Precious Metals	19,185	9,203
Placements with Banks and other FIs	308,655	223,380
Financial Assets Held for Trading	53,864	27,889
Financial Assets at Fair Value through P&L	269,018	155,366
Derivative Financial Assets	8,186	4,825
Financial Assets Held under Resale agreements	737,052	814,620
Loans and Advances to Customers	6,902,522	6,153,411
Available for Sale Financial Assets	781,311	755,503
Held to Maturity Investments	1,523,815	1,308,796
Debt Instruments classified as Receivables	592,090	608,594
Investments in Associates and Joint Ventures	1	108
Property and Equipment	150,859	141,490
Goodwill	1,381	1,381
Deferred tax Assets	74,075	56,949
Other Assets	138,608	107,483
Total Assets	14,562,102	13,244,342
Liabilities		
Borrowings from Central Bank	104	66
Deposits from Banks and Other FIs	729,354	784,352
Placements from Banks and other FIs	174,363	149,721
Financial Liabilities Held for Trading	20,805	3,674

Financial Liabilities at Fair Value through P&L	285,454	155,071
Derivative Financial Liabilities	7,635	5,514
Financial Assets Sold under Resale agreements	26,787	7,631
Due to Customers	11,811,411	10,862,935
Debt Securities Issued	266,261	192,639
Deferred tax liabilities	8	15
Other Liabilities	395,383	331,370
Total Liabilities	13,717,565	12,492,988

Equity	<u>2013</u>	<u>2012</u>
Share Capital	324,794	324,794
Capital Reserve	98,773	98,773
Investment Revaluation Reserve	(22,772)	(901)
Surplus Reserve	60,632	43,996
General Reserve	139,204	75,349
Retained Earnings	243,482	208,488
Foreign Currency Translation Reserve	(1,005)	(684)
<i>Equity Attributable to equity holders of the bank</i>	843,108	749,815
Non-Controlling interests	1,429	1,539
Total Equity	844,537	751,354
Total Equity & Liabilities	14,562,102	13,244,342

6. Description of derivative activities and hedging activities

The New York Branch uses derivatives in support of customer activities. Currently,

derivatives include Foreign Exchange Forwards (“FX Forwards”) and Foreign Exchange Swaps, which are used to accommodate customer and hedging trades. The positive fair values of FX Forwards are recognized as assets, while negative fair values are recognized as liabilities. Liquidation accounting is used for these trading book positions, where both realized and unrealized gains and losses are stated through earnings. No other derivatives are currently in the active product suite of the New York Branch.

7. Material Payment, Clearing and Settlement systems

The New York Branch is a direct participant in Fedwire Funds Services (“Fedwire”) and the Clearing House Interbank Payments System (“CHIPS”), which are both used in support of the Branch’s U.S. Dollar clearing business. Fedwire is a real-time gross settlement system owned and operated by the Federal Reserve Bank in which participants initiate payment orders that are individually processed and settled in central bank money in real time upon receipt. Once settled, Fedwire funds transfers are final and irrevocable.

CHIPS is the largest private-sector U.S. Dollar funds transfer system in the world. CHIPS is operated by The Clearing House.

The New York Branch is also a member of the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”). SWIFT provides a network that enables financial institutions to send and receive secure, standardized and reliable messages to and from counterparties. On a limited basis, the New York Branch uses custodian counterparties to access Depository Trust Corporation and other depositories or exchanges as needed.

8. Foreign Operations

The New York Branch currently represents the entire U.S. Operations of the Bank. The New York Branch itself has no foreign operations legally connected to, or managed by it. The New York Branch cooperates with other overseas branches of the Bank, primarily related to money market activities, lending, trade finance, and correspondent banking

activities.

The Bank operates several other overseas branches, specifically in Hong Kong, Singapore, Tokyo, Frankfurt, Seoul, Dubai and Sydney. The Bank also has a bank subsidiary in London as well as representative offices in Hanoi and Vancouver.

9. Identities of Material Supervisory Authorities

The Peoples Bank of China (“PBOC”) is China’s central bank and primary supervisor for anti-money laundering matters. It administers monetary policy and regulates financial institutions in China to ensure overall financial stability. It manages payment, clearing and settlement systems of the banking sector and oversees foreign exchange policies.

The China Banking Regulatory Commission (“CBRC”) is China’s primary bank supervisor and regulator. It is responsible for the comprehensive consolidated supervision of Chinese banking organizations.

The China Securities Regulatory Commission (“CSRC”) is the primary securities regulator of the Bank. It is responsible for the oversight of publicly traded companies and the provision of custody services to investment funds.

The State Administration of Foreign Exchange (“SAFE”) supervises the Bank’s foreign exchange and settlement transactions.

The China Insurance Regulatory Commission (“CIRC”) is the Bank’s primary insurance regulator, overseeing the assurance business and insurance activities.

The Hong Kong Monetary Authority (“HKMA”) is responsible for maintaining monetary and banking stability in Hong Kong. It is responsible for regulating and supervising banking and deposit-taking in Hong Kong. The Bank has a branch operation in Hong Kong and is publicly listed on the Hong Kong Exchange (as well as Shanghai), and is therefore subject to the supervision of HKMA.

The New York Branch is a state-licensed, uninsured wholesale banking branch, and

therefore is subject to the regulation and supervision of the New York State Department of Financial Services (“NYSDFS”).

The Federal Reserve Bank of New York is the Bank’s Federal supervisor in the U.S. and it supervises the New York Branch and subjects the New York Branch to annual on-site examinations, either jointly with NYSDFS, or on alternating years in coordination with the schedules and priorities of NYSDFS.

10. Identities of the Principal Officers of the Group and New York Branch

Name	Title with ABC
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Executive Directors

Liu Shiyu	Chairman, Executive Director
Zhang Yun	Vice Chairman, Executive Director, President
Lou Wenlong	Executive Director, Executive Vice President

Non-Executive Directors

Shen Bingxi	Non-executive Director
Cheng Fengchao	Non-executive Director
Xiao Shusheng	Non-executive Director
Zhao Chao	Non-executive Director
Zhou Ke	Non-executive Director
Anthony Wu Ting-yuk	Non-executive Director
Qiu Dong	Non-executive Director
Frederick Ma Si-hang	Non-executive Director

Wen Tiejun Non-executive Director

Francis Yuen Tin-fan Non-executive Director

Board of Supervisors

Che Yingxin Chairman of the Board of Supervisors

Wang Xingchun Supervisor Representing Shareholders

Jia Xiangsen Supervisor Representing Employees

Zheng Xin Supervisor Representing Employees

Xia Zongyu Supervisor Representing Employees

Xia Taili Supervisor Representing Employees

Dai Genyou External Supervisor

Senior Management

Zhang Yun Vice Chairman, Executive Director, President

Cai Huaxiang Executive Vice President

Gong Chao Executive Vice President

Lou Wenlong Executive Director, Executive Vice President

Wang Wei Executive Vice President

Li Zhenjiang Executive Vice President

Zhu Gaoming Secretary to the Board

Principal Officers of New York Branch

Yu Ming	General Manager
Zhang Jijun	Deputy General Manager
Natasha Taft	Chief Compliance Officer
Joseph A. Franzese	Chief Financial Officer
Simon Wang	Chief Risk Officer
Zhang Jian	Head of Corporate Banking Department
Bao Liu	Head of Treasury Department
He Wei	Head of Operations Department
Liu Naji	Head of Administration Department

11. Corporate Governance structure and processes related to resolution planning

The Bank currently has no nonbanking Material Entities, Core Business Lines or Critical Operations that are domiciled in the United States.

The Bank's Board of Directors ("ABC Board") may delegate its authority and oversight responsibilities to a specific manager or Committee. The ABC Board has delegated its authority to approve the Plan to Senior Management in-charge of the International Department at Head Office.

The Bank has created a Local Resolution Planning Team to understand the resolution-related requirements, develop an initial plan, and present the draft to the Bank for review and approval. The Bank will also monitor the Plan for additions, revisions and deletions as required. This Team is comprised of the General Manager, Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, and Deputy Head of Finance

Department. This Team will call on other parties such as the Head of Operations, the Head of Treasury, the Head of Corporate Banking, and the Head of Information Technology, to assist in developing the Plan. The General Manager has delegated authority to the CFO to organize and chair periodic meetings held with the sole purpose of discussing resolution planning. The Team will meet at least quarterly to discuss actions required.

12. Management Information Systems (MIS)

The New York Branch utilizes a core banking system that is housed in China, supporting the New York Branch on a 24/7 basis. Technology support includes maintenance, daily operations, responding to emergencies, required systems fixes or enhancements, as well as ad-hoc requests. This system is modular in nature, meaning Loans, Money Market, FX, Trade Finance, and other modules all point to the General Ledger for fully integrated data. The system also utilizes multi-currency functionality, which states balances in original and base currency terms. The New York Branch also has local servers to service systems supporting products such as U.S. Dollar Clearing, Compliance transaction monitoring and sanctions screening, as well as Regulatory Reporting. For those systems externally owned by third party vendors, the New York Branch owns the source code in the event of vendor breakdown. Important vendors are also reviewed at least annually to ensure business continuity. For those systems, in addition to the designated full time personnel, the New York Branch utilizes vendors or consultants to support ongoing requirements. Compliance systems are also subject to periodic reviews and validation. The New York Branch also maintains a Business Continuity Plan (BCP) to ensure uninterrupted service in the event of disruptions to operations or systems. The BCP is tested, including by Head Office where required, in accordance with regulatory and industry standards, and policies and procedures are updated to reflect this.

13. A description at high level of the U.S. Branch resolution strategy

As stated previously, the Bank does not have any nonbanking Material Entities, Core Business Lines or Critical Operations that are domiciled in the United States or conducted in whole or material part in the United States. As noted above, the New York Branch has formed a management team to address resolution planning. Because of the Bank's structure in the United States, any resolution will be conducted by the NYSDFS, and the Bank's strategy is to prepare and organize for such a resolution. This is explained in greater detail in the confidential section of this report.